

Capital First Q2 net trebles to Rs 105 cr on strong core income

New Delhi, Oct 26 () Non-banking financial company (NBFC) Capital First Friday reported over three-fold jump in its consolidated net profit at Rs 104.60 crore in second quarter ended September, driven by strong core income.

Company's net profit was at Rs 30.19 crore in the corresponding July-September period of 2017-18.

Total income for the September quarter of 2018-19 rose to Rs 1,202.79 crore as against Rs 795.40 crore in the same period of previous fiscal, Capital First said in a regulatory filing.

"The core income (net interest income plus fee income) of the company grew 49 per cent to Rs 695.2 crore in Q2 FY19, from Rs 467.2 crore in Q2 FY 18. The growth in income was primarily driven by higher net interest income, which grew 55 per cent to Rs 615.3 crore from Rs 398.9 crore in same quarter a year ago," it said in a statement.

On a standalone basis, the net profit during the quarter ended September stood at Rs 86.18 crore as against Rs 19.91 crore a year ago period. Income rose to Rs 1,112.73 crore and the retail loan portfolio contributed to 91 per cent of the overall AUM, it said.

The retail loan book grew 38 per cent to Rs 29,625 crore for the quarter under review.

The company said that its board of directors on January 13, this year approved the merger of the company and its wholly owned subsidiaries --Capital First Home Finance and Capital First Securities, with IDFC Bank in an all-stock transaction through a composite scheme of arrangement.

The amalgamation of Capital First Limited with IDFC Bank Limited is now at an advanced stage and has received approvals from the Competition Commission of India, stock exchanges, Reserve Bank of India, the shareholders as well as creditors. The approvals from the National Company Law Tribunals are awaited, it said.

Capital First Chairman V Vaidyanathan is bullish about growth in loan assets and net profit of the company.

"We feel that the near term funding challenges in the financial services industry too will pass and the underlying demand from the customers supported by the overall growth in economy will continue to power our growth going forward. We see no problems in our asset quality," Vaidyanathan added.

He said the company is gearing up well to step into the world of banking through the completion of merger with IDFC Bank, which should be completed soon.

Stock of Capital First closed 2.42 per cent down at Rs 451.35 on BSE. KPM DRR DRR